



## Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact [support@jstor.org](mailto:support@jstor.org).

## LABOR UNIONS AS THEY APPEAR TO AN EMPLOYER

In an address before the New York Chamber of Commerce at its opening, ex-President Grover Cleveland said: "Commerce is born of enterprise, enterprise of struggle, but it need not be a struggle to the death." While he applied this statement to commerce, it seems equally applicable to the great problems now being solved between employer and employee. It is the struggle which is going on, to realize for the employer the best results from his investment, and to obtain for the workman, what he claims is his share of those best results, that is the cause of all the friction that exists to-day. In the carrying forward of this struggle, both parties, perhaps honestly, believe that they are working for the common good. The employer, whenever he can effect a reduction in the cost of the article which he manufactures (even though it is by the reduction of wages), believes that he is serving the public, and making possible the enjoyment of both comfort and luxury by the largest number, because of the lower price. The workingman, on the other hand, who resists this reduction in cost, looks only to his present personal comfort and believes that he alone is right, even though his enjoyment of the necessities and luxuries at the lower cost which is established by the improved methods of manufacturing may exceed in volume the loss that he sustains in the reduced wage. Altruism may be the motive, and even the result in each case, but selfishness is the charge made by each party against the other, and is considered a sufficient reason for the most strenuous resistance; resulting in a struggle, known better as strike, destructive to both, and ceasing only when some kind of conference results in restoring reason, and establishing a common ground of actual or supposed mutual benefit.

Until the introduction in this country of what is known as the factory system, or the accumulation of large numbers of men in one plant, the relations between the employer and the employee were individual and personal. Differences were easily adjusted and no necessity arose for labor unions. The aggregation of capital, however, the forming of corporations to carry on large operations, removed that personal contact and seemed to compel the organization of labor. With a firm belief in labor organizations, and an equally

firm belief in the organization of employers, if properly formed and governed, I can see no reason for lack of harmony in adjusting by means of such organizations, any matter that may arise between the employer and employee; because in each case, the organization is formed for the promotion of the mutual interests of its members, and the necessities of their relations to each other make co-operation the only practical solution of the best interest of both.

This method of conducting negotiations between the designated officers of labor unions and the employers' associations, has been successfully accomplished in a number of cases; and in proof of the desire to establish mutual interests and avoid common loss, the first act of all such negotiations is an agreement on both sides to prevent strikes or lockouts; and I can say to the credit of both, that such agreements have seldom been violated.

"There can be no room for conflict between labor and capital, when the same person owns the capital and furnishes the labor." Now, as this condition does not exist, conflict can only be avoided by a careful effort to understand the relation of one to the other, and of their several relations to the results obtained by the combination of both.

The condition that does exist, and the cause of the struggle to-day is this: The wage workers have formed combinations called unions, representing each separate class of labor, and by persuasion or force gathered into such combinations all those who are identified with the employment represented, except only such as elect to be free men and refuse to join the union. While the written laws of most unions provide for certain standards of skill in the craft, as a basis of admission, the facts are, that the only requirement is the payment of fixed dues, the obedience to all rules which may be made, and the total extinction of individual right; even to the extent that there is no means provided by which a member can withdraw when he ceases to be in harmony with the plan and purpose. The union having been formed, its first and apparently only work seems to be to make *demands* upon the employer.

Whenever the majority of the workingmen in any plant or factory join the union, demand is at once made by a delegate or business agent, coupled always with the threat of a strike. If the employer is not a member of some employers' association, where strength and support can be made upon, a strike or lockout ensues,

and the difference is finally settled by force. If one or all the demands are conceded, the union claims it is a proof of the justice of the demand, regardless of the facts which have caused the result.

When the demands are made upon the organizations of employers by the officials of labor unions, working under an agreement such as I have referred to, a conference ensues and the demands are carefully considered from their relation to general business conditions, and usually settled in such manner as to be best for both.

The principal demands that are made by labor unions to-day are: First, increase of wages, including the establishment of a minimum; second, a shortening of the hours of labor; third, a decrease of product, and fourth, the recognition of the union.

Upon these four issues almost every strike that occurs in the country is based, and yet no one of them is sufficient in itself to be adopted as the best standard for governing the relations between the employer and the employee, because each of them is more or less governed by greater laws over which neither has control.

In the question of wages no labor union has ever been able to establish wages so long as there was not full employment for all the workingmen in their craft in the country. Whenever the necessities of trade require the employment of less than the entire number, wages reduce and keep on reducing in ratio to the requirements of the employer; and when, on the other hand, activity of business requires the employment of a larger number of people wages advance and would advance by reason of the law of supply and demand without the effort of the labor union or walking delegates, or a strike. In a very recent publication of one of the labor union journals, the history of that union was plainly written in the fact that in strikes which were made for advance in wages, over 79 per cent were successful, while in strikes that were made against the reduction of wages, but 19 per cent were successful.

About two years ago I was asked to act as an arbitrator in one of our large cities, between certain employers and employees, upon the question of establishing a minimum rate of wage. The demand was, that this rate should be three dollars. The employers resisted the demand because they did not desire to establish a minimum. Before entering the conference, which was held with the president of the union, I took occasion to examine the pay rolls of the twenty-two firms engaged in the conflict, and discovered that out of over

six hundred men employed, only forty-five were not then receiving three dollars and more a day for their pay. That condition was the direct result of a scarcity of men in that particular craft, and an extraordinary demand for work in that particular city. The arbitrators failed to agree; a strike ensued, costing the workmen four or five weeks' wages; it ended without establishing a minimum rate. It is safe to say that the question of the wages of the workman can be eliminated as cause for conflict, because it will always be adjusted upon the rule of supply and demand.

It is true that the labor union claims from altruistic basis that all men who are employed the same number of hours at the same kind or class of work, shall be paid the same sum per hour or per diem for such labor; but nowhere in all the rules and laws of union, have I ever been able to discover that all men who receive the same wages shall perform the same labor for that wage. This demand on the part of the union is so conspicuously unfair that it is always met by a refusal on the part of the employer, even though he may be willing to advance wages upon a uniform basis.

In the past three years, possibly to a greater extent than at any previous time in the history of this country, labor unions have become prominent, active, and without doubt unduly aggressive. Their rapid growth has brought to their membership a large number of men incompetent as workmen, who have embraced this opportunity to demand recognition from the employer on the same basis as the competent workman; therefore the demand for a minimum rate of wage is sustained not by the voice and vote of the competent workman, but by that of the incompetent, who, because of the unusual need for and scarcity of the more skilled, hopes to gain an increase of wage which shall be measured not by the result of work performed, but by the demand made through his union.

On the other hand, in the operation of an employers' organization with which I am well acquainted, who annually meet in conference with the representatives of the union to which their men belong, a uniform rate of wage has been established and kept in force during the past eight or ten years, varying but slightly when necessary on account of conditions of business, while the same class of labor without the organization on the part of the manufacturers has often been reduced 50 per cent during dull times, to the evident loss of the employee. The minimum rate of wage as has been contested

for by all labor unions, is without doubt, absolutely unfair because it attempts to establish a condition which is impossible and is only an effort, as was announced in the recent speech of a labor leader, to establish a standard by which union men shall be measured by the energies of the lowest grade of workmen in the craft. Fair tests have produced this result in almost every case.

The attempt to shorten the hours of labor is commendable and will be attained, not by any special effort on the part of the labor unions, but whenever by adjusting the conditions of business, different trades can find it to their advantage to agree upon a reduced number of working hours, and arrange contracts and prices accordingly.

The main ground upon which labor unions have demanded shorter hours, has been the assertion that a man could perform as much work in eight hours as in nine or ten. If this is a fact it has never yet been fully established in practice, and never can be more than a theory, so long as the union leaders continue to support, or at least fail to denounce the effort which is made by local unions led by unwise walking delegates or committees, to restrict production. Every prominent labor leader will deny that it is the principle of their union to restrict production; and yet no union has the courage to enact a law which prohibits any act on the part of the members that will restrict the product of the individual or the shop in which he works. Every employer of labor is willing to pay increased wage for increased work; yet even in shops where piece-work is the rule, local unions pass rules limiting the day's work, or imposing a fine on the energetic workman who would gladly increase his earnings, because it would reflect upon the incompetent loafer, who can and will not work.

While the leaders of labor freely deny their approval of such methods, and in some cases honestly endeavor to resist them, the fact still remains, that the union to-day stands for: restriction of apprentices, opposition to labor-saving machines, resistance to methods which will increase product without increasing labor.

W. T. Stead, says regarding Great Britain: Our industrial progress is hampered in two directions: first, by the reluctance of the employers to invest in new machinery; and second, by the belief on the part of the workman that the "less work each man does, the more work there is for somebody else."

There is a certain objection to labor-saving machines on the part of many workmen, who regard all such machines as the owners of stage coaches regarded locomotives. It is calculated that every locomotive that we build makes work for more horses than the horsepower which it represents; there has never been so much demand for labor as since the introduction of labor-saving machines became universal.

From an employer's standpoint, good reason has never been established for the recognition of the union as it exists at this time. Not because the labor union, if it were organized and governed in a spirit of entire fairness should not be recognized, but because as a secret organization it claims the right to make rules which shall be enforced by a strike or otherwise, without regard to the conditions surrounding the business. If its purpose is the benefit of the workingmen, it requires no secrecy to bring about such results. There has rarely been an occasion in the history of strikes in this country where an employer has refused to meet his own employees, and discuss any question of difference with them. But in the demand for the recognition of the union, he is asked to meet the representative of that body, who may or may not have any direct knowledge of his relation with his own employees; and who may or may not be competent to consider any differences that may arise. If the labor union stands for what it promises to its members, it can safely remove the secrecy which now envelops its acts; it can safely announce its purposes openly; it can safely appeal not only to the employer of labor, but to the public for support in any fair demands that it may have to make. In other words the labor organization as it exists in this country to-day must be Americanized; must recognize all that is meant in the progress which we have accomplished in the direction of commercialism, in the direction of making this country the base of supplies for the world; and that can only be done by a co-operation which shall remove all disputed relations between the employer and the employee, not by bringing about what the labor union claims, an equal division, but a fair division of the profits arising from the results of their joint labors. While this is true of the labor union, it is but fair to say that the progress in the direction which is desirable for labor unions is prevented very largely by the refusal on the part of manufacturers or employers of labor to investigate and co-operate with the men of whom there are a great many, who, as

*leaders* of labor unions have in view the improvement of the condition of their members upon lines which are fair and honest to the employer ; and who are ready at all times, as they have been in two or three cases with which I have been intimately associated, to adopt as a standard for the settlement of any disputes a conference of their members for conciliation instead of strikes or lockouts.

In my intercourse with the national officers of labor unions for a number of years, I feel free to say that the majority of those I have met, have been actuated by the highest motives ; and have been ready at all times to adopt such rules and regulations as would harmonize the interests of the workingmen with that of their employers ; but because of the aggressiveness of local lodges ; because of the unwise efforts of walking delegates and men of small powers, the employer has found it necessary for his own protection in many cases, although I believe unwisely, to denounce the union and refuse to recognize it. As far back as 1898 the president of one of the leading labor organizations of this country, hoped, in an annual address, which he was making, that it might be possible to secure the assistance of the manufacturers to aid the union to bring about more effective and harmonious personal relations. It is true that the best men do not control labor unions, though this is equally true of political relations, sometimes of financial relations, and many times the principal suffering we must endure from public reasons is because of the inefficiency of the men who are selected as our representatives. There is every reason, I have learned by experience, for the recognition of the labor union so far as its organic law is in accord with the business conditions of the country, and it is willing to accept as a basis of adjustment reason and conciliation rather than strife. One step towards bringing about this result has been the organization of employers who, by wielding an enormous force have been able to resist unfair demands made by unions, and in some cases with which I am familiar have held a series of conferences which have resulted in advancing year by year the harmonious relation which should exist between them ; preventing, especially during the past three years, strikes and lockouts, both of which are expensive to the employer, the employee and the public.

Having said this in favor of organization, I am compelled to say that almost every indication upon the surface proves that local organizations are not formed or led in the direction of the best



results, but are controlled by the worst influences. As an evidence of this I have before me the constitution and rules of order of one of the oldest and perhaps strongest labor organizations in this country, which starts out with a preamble as follows: "Believing that under the present social system there is a general tendency to deny the producer the full reward of his industry and skill, we, in order to protect our craft, have hereby organized this union." It is this spirit of defiance; this spirit of determination on the part of the employee what should be his without reference to the conditions of business, that leads to the antagonism of the manufacturer at the start. Until the labor unions will refute this idea, and give as a reason for their being the harmonizing of interests between employer and employee, there can be little hope for settlement in the near future of the many differences that exist.

All of the employers' organizations with which I am familiar are based upon the principle of dealing fairly with their workingmen and establishing equity and justice as between the two. One of the unfortunate preventions to a speedy conclusion of this great dispute is the belief on the part of each that there is no right except his right, and that the rights of one are necessarily in conflict with the rights of another; while the fact is that the real right, or the real principle which should govern both bodies is a common interest; is co-operation which can only be established by an honest effort through conference between the two to discover what is the proper relation. The workingman is too apt to claim, perhaps from his mistaken judgment, that he is entitled to all of the profits that arise from the result of his labor, forgetting that on the part of the employer there must be the investment of capital, of plant, of energy, of effort, to make it possible for the workingman to earn even a part of the profits; and the adjustment of these profits in place of being upon the bases of each one endeavoring to secure the greater part, must eventually be the measure of value between the two.

The union, advocating as it does the best interest of the workingman, shows its weakness in its refusal to co-operate with any workingman who does not see fit to become a member. In the same constitution that I have quoted before, there is the declaration that the "unions shall have jurisdiction over the entire trade represented by its members in all its branches, and in all its subdivisions." If it were possible that the union invariably stood for the advance-

ment of the interests of its members, it would not be necessary to use force, ostracism and even slugging to drive men into the ranks; it would not be necessary, where a large number of union men are employed, to demand that one or two men who do not see fit to become members of the union, shall be discharged and deprived of employment.

I repeat that I am in favor of labor organizations, and in pointing out the acts of the union, as now managed, it is with the sincere hope that such changes will be made as will make it possible for the employer to co-operate with the union in any movement that is practical to improve the condition of the workingmen of this country.

The refusal of the employer to recognize the union, is not directed against the right to organize, but against the unjust and unfair demands made by the representatives of organized labor.

The work of harmonizing these two great interests is one of education, and I sincerely believe that progress is being made in that direction.

There is a common ground on which no dispute can occur, and I am sure employer and employee are honestly endeavoring to reach that point where mutual interests, determined by conference between leaders in both sides and concurred in by the rank and file, will produce harmony instead of conflict, prosperity for the employee, profit for the employer and the highest standard of American citizenship for all.

W. H. PFAHLER.

*Philadelphia.*